

Message Text

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ORIGIN EB-11

INFO OCT-01 NEA-14 ISO-00 TRSE-00 L-03 PRS-01 SS-20 NSC-07

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P 292324Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, IR

SUBJECT: SURPLUS PROPERTY AND LEND-LEASE DEBTS

REF: TEHRAN 6705

1. WE WELCOME GOI APPARENT WILLINGNESS TO BEGIN DETAILED DISCUSSIONS AIMED AT SETTLING SURPLUS PROPERTY AND LEND-LEASE DEBT. WE ARE CONCERNED, HOWEVER, AT APPARENT ATTEMPT BY GOI TO LINK UNDISPUTED AND LONG-STANDING DEBT TO USG TO CLAIM AGAINST USG FOR USE BY ALLIES OF IRANIAN RAILWAYS DURING WORLD WAR TWO WHICH IRAN NOW SAYS IT IS PREPARED TO DOCUMENT AND PUT FORWARD.

2. WHILE WE ARE WILLING TO EXAMINE ANY DOCUMENTED CLAIMS AGAINST THE USG ON THE PART OF THE GOI, WE BELIEVE IT WOULD BE UNWISE TO APPEAR TO ACCEPT ANY LINKAGE BETWEEN SUCH A CLAIM AND THE AGREED DEBT WHICH IS OWED TO THE UNITED STATES. THESE MATTERS MUST BE DISCUSSED SEPARATELY AND ON THEIR OWN MERIT.

3. THE EMBASSY SHOULD CONVEY THE SUBSTANCE OF THE
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FOLLOWING POINTS TO THE GOI IN RESPONSE TO THE NOTE

RECEIVED FROM THE FOREIGN OFFICE: (A) WE WOULD WELCOME AN OPPORTUNITY TO DISCUSS A SETTLEMENT OF THE LEND LEASE AND SURPLUS PROPERTY DEBT AND ARE PREPARED TO DESIGNATE

A MISSION TO MEET WITH REPRESENTATIVES OF THE IRANIAN GOVERNMENT AT A MUTUALLY AGREED UPON EARLY DATE; (B) WE ARE PREPARED TO RECEIVE AND EXAMINE ANY DOCUMENTED CLAIMS AGAINST THE UNITED STATES ON THE PART OF THE GOI; (C) WE SEE NO CONNECTION BETWEEN THE DEBT OWED TO THE USG AND ANY CLAIMS WHICH ARE NOW TO BE PUT FORWARD BY THE GOI AND WOULD NOT BE PREPARED TO CONSIDER THEM JOINTLY.

4. THE EMBASSY MAY WISH TO POINT OUT THAT THE NATURE AND VALIDITY OF THE DEBT TO THE USG IS NOT AT ISSUE AND IT WOULD CLEARLY NOT BE ACCEPTABLE TO LUMP THAT WELL RECOGNIZED AND LONG STANDING DEBT TOGETHER WITH ANY CLAIM THAT THE GOI MAY NOW PUT FORWARD.

5. WITH REGARD TO THE USG DEBT WE WOULD BE PREPARED TO PUT TOGETHER A TEAM OF USG EXPERTS WHO COULD BE IN TEHRAN AS EARLY AS MID OR LATE SEPTEMBER. WITH RESPECT TO GOI CLAIMS, WE WOULD NEED TO RECEIVE THEM IN WASHINGTON FOR EXAMINATION AND ANALYSIS BEFORE WE COULD CONSIDER MEETING WITH THE GOI CONCERNING THEM.

6. FYI: CONGRESSIONAL AND PUBLIC PRESSURE IS BUILDING RE THIS IRANIAN DEBT, E.G., ABC TELEVISION NETWORK IS PLANNING SPECIAL PRESENTATION ON USG DEBT COLLECTION FOCUSING ON QUESTION OF WHY, IN VIEW OF ITS STRONG FINANCIAL POSITION, IRAN HAS NOT PAID SURPLUS PROPERTY AND LEND-LEASE DEBT. EARLY FORWARD MOTION ON THIS MATTER

WOULD APPEAR ESSENTIAL TO AVOID SERIOUS ACCELERATION OF

PUBLIC AND CONGRESSIONAL CONCERN OVER IRANIAN DELINQUENCY TO U.S. KISSINGER

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